



American Association of Clinical Endocrinologists

245 Riverside Avenue • Suite 200 • Jacksonville, Florida 32202 • Phone: (904) 353-7878 • Fax: (904) 353-6755 • <http://www.aace.com>

April 29, 2011

The Honorable Fred Upton
Chairman
House Energy & Commerce Committee
Room 2125 Rayburn HOB
Washington, D.C. 20515

The Honorable Henry Waxman
Ranking Member
House Energy & Commerce Committee
Room 2322 A Rayburn HOB
Washington, D.C. 20515

Dear Chairman Upton and Ranking Member Waxman:

The American Association of Clinical Endocrinologists (AACE) welcomes the opportunity to provide input on Medicare physician payment reform and looks forward to serving as a resource to each of you and your staffs on this issue.

AACE represents over 5,000 endocrinologists in the United States alone and is the largest association of clinical endocrinologists in the world. The majority of AACE members are certified in Endocrinology and Metabolism and concentrate their work on the treatment of patients with endocrine and metabolic disorders including diabetes, thyroid disorders, osteoporosis, growth hormone deficiency, cholesterol disorders, hypertension and obesity. AACE members are committed to providing the highest quality of care to the patients they serve.

We strongly urge that reforms to the Medicare physician payment system recognize the unique role of different medical specialties in the health care system and reimburse each specialty for their unique expertise and their level of training.

The primary care physician and the medical specialist both play vital roles in patient care and in the nation's health care system. Several initiatives enacted under the Patient Protection and Affordable Care Act (PPACA) are intended strengthen the role of primary care physicians under Medicare, and AACE supports efforts to increase access to primary care. We believe, however, that medical specialists, and the care they provide, face their own set of challenges that impact access to care. Appropriate payments to medical specialists must also be addressed for specialties, such as endocrinology, to remain viable for ensuring continued beneficiary access to high quality, well-coordinated care under the Medicare program.

A recent change in Medicare physician payment policy to no longer provide payment for consultation service codes is in direct conflict with health system reform goals that both parties agree on (i.e., improving care coordination and the management of chronic diseases). The elimination of consultation service code payments has disrupted the physician-to-physician consultative process, between teams of specialists and primary care physicians to manage all aspects of the Medicare beneficiary's care. Endocrinologists and other cognitive specialists must have adequate resources in order to participate in integrated systems of care that promote coordination and optimal patient care, and reduce unnecessary spending associated with duplicate tests, fragmented care, preventable illness and costly hospitalizations.

Endocrinologists undergo extensive, specialized training in the diagnosis and treatment of diabetes and other endocrine disorders during a two to three-year endocrine fellowship following completion of an internal medicine residency program. As a result, endocrinologists primarily work as consultants to general internists and primary care physicians, providing expert opinion and assistance in the management of patients with complex, and often difficult, medical conditions. An integral element of these types of consultative interactions is an educational component for the primary care physician that results in improved quality of patient care, based on the training and skills in the care and management of endocrine diseases and disorders that the endocrinologist possesses. Diabetes, for example, requires complicated, individualized treatment plans as well as comprehensive care for associated risk factors. There are many different treatment strategies for

managing diabetes, and endocrinologists spend a significant amount of time determining what the best strategy is for each individual patient.

The work of an endocrinologist to manage a patient's diabetes is cognitive and extremely time and labor intensive. Any new Medicare physician payment system must recognize the importance and value of these cognitive skills and support physicians spending the time necessary to care for patients with complications. Current Medicare payment policy does not recognize and fairly account for the level of time, effort, and analysis involved in providing the level of service needed for patients with chronic diseases, affecting the majority of the Medicare population. The endocrinologist must complete an exhaustive clinical evaluation and review the patient's medical history and then use his or her expertise and experience to analyze and synthesize the medical data into meaningful recommendations that are individualized to patients' needs.

The Medicare program currently marginalizes the role of the endocrinologist in providing appropriate care to Medicare beneficiaries, which is forcing endocrinologists to reduce the number of new Medicare patients they will see in both their office and in the hospital setting. The result is a reduction in quality of care and increased cost to the Medicare program when complications from diabetes occur, such as blindness, cardiovascular disease, kidney disease and neuropathy.

AACE is also concerned about the impact of the current payment system on the future workforce and the ability of Medicare to meet the future health care needs of the country. Current policy provides a disincentive for future medical residents to pursue fellowships and advanced study in endocrinology as opposed to remaining a primary care physician or becoming a procedural specialist. Current workforce shortages in fields such as endocrinology will be exacerbated and patient access to the specialized care provided by endocrinologists will be severely restricted, if not eliminated in some areas of the country.

On behalf of AACE, I offer whatever assistance we can provide to assist you in developing meaningful and sustainable Medicare physician payment reform that will ensure continued access to care, and keep the promise of health care following retirement made to all Americans. Please feel free to contact me or Sara Milo, AACE Director of Legislation and Governmental Affairs, at 904-353-7878 or smilo@aace.com. We believe if payment reform results in participation in Medicare being a viable option for endocrinologists, the program will achieve better health care and quality of life for our aged population and remain fiscally stable and sustainable well into the future.

As Congress and the medical community work together to develop and enact viable and fair payment reform, AACE urges Congress to provide annual updates for physicians in the interim transition period. Without congressional action, the automatic double-digit payment cuts physicians face under the current flawed SGR program will further destabilize the Medicare program and further reduce access to care.

Thank you for your consideration of these issues.

Sincerely,

A handwritten signature in black ink, appearing to be 'YH' followed by a long horizontal stroke.

Yehuda Handelsman, MD, FACP, FACE, FNLA
President